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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/717,433	11/20/2000	Lou Leonardo	2043.023US1	9413
49845 7590 02/05/2009 SCHWEGMAN, LUNDBERG & WOESSNER/EBAY P.O. BOX 2938 MINNEAPOLIS, MN 55402				
EXAMINER KESACK, DANIEL				
ART UNIT 3691		PAPER NUMBER		
NOTIFICATION DATE 02/05/2009		DELIVERY MODE ELECTRONIC		

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

USPTO@SLWIP.COM

# Office Action Summary

## Application No.

09/717,433

## Applicant(s)

LEONARDO ET AL.

## Examiner

Daniel Kesack

## Art Unit

3691

**Period for Reply** -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 10 November 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-20, 22-28, 31-34 and 39-42 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-20, 22-28, 31-34 and 39-42 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date 11/10/08.
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

**DETAILED ACTION**

***Continued Examination Under 37 CFR 1.114***

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on November 10, 2008 has been entered.

***Status of Claims***

2. Claims 1-20, 22-28, 31-34, and 39-42 are currently pending. The rejections are as stated below.

***Claim Rejections - 35 USC § 112***

3. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

4. Claims 1, 8, 15, 28, and 39-42 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claims contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventors, at the time the application was filed, had possession of the claimed invention. Applicant's specification does not describe more than one count of failed transactions. The newly amended claims recite a second count of failed transactions not completed by a buyer, which includes a first count of transactions not completed by the buyer for the reason that the buyer failed to send a payment to the seller. Applicant's specification recites that a reasons for failed transactions column stored reasons why the transaction failed, such reasons being given by the seller submitting the complaint (p 10, lines 12-15). The non-paying bidders table includes a valid warning count column, NPB tick column, and a reason for NPB tick column. Furthermore, the valid warning count column stores a count value on the number of times the user received a warning for failing to complete a transaction (p 11, lines 1-19). According to these descriptions, the database maintains on one count of failed transactions not completed by the buyer, and that count is not specific to the reason for the failure. The recitation of a first count which stores a count of only those transactions which are failed due to the buyer failing to send payment, as in claims 1, 8, 15, and 28, is not supported by Applicant's specification. Furthermore, a third count which is specific only to those transaction which are failed due to the buyer submitting fraudulent payment, as recited in claims 39-42, is not supported by Applicant's specification.

***Claim Rejections - 35 USC § 101***

5. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-7 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claim 1 recites a process comprising the method steps of facilitating submission of a complaint, facilitating a resolution, determining the complaint is not resolved, updating a record, and communicating an interface. Based on Supreme Court precedent, a proper process must be tied to another statutory class or transform underlying subject matter to a different state or thing (*In Re Bilski*; *Diamond v. Diehr*, 450 U.S. 175, 184 (1981 ); *Parker v. Flook*, 437 U.S. 584,588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780,787-88 (1876)). Since neither of these requirements is met by the claim, the method is not considered a patent eligible process under 35 U.S.C. 101. To qualify as a statutory process, the claim should positively recite the other statutory class to which it is tied, for example by identifying the apparatus that accomplished the method steps or positively reciting the subject matter that is being transformed, for example by identifying the material that is being changed to a different state. Since the steps can be accomplished without the use of another statutory class, it is considered a non-statutory process.

Examiner notes that in the claimed steps which recite apparatus may not be involved in the performance of the step, and therefore the method may not be specifically tied to that apparatus. For example, "facilitating submission of a complaint to the network-based facility" may be accomplished by assisting someone in entering of information. In this case, the step of "facilitating" would consist of a person instructing another person on how to enter information, and would not necessarily be tied to another statutory class.

None of the dependant claims 2-7 include features which overcome this rejection, and are therefore rejected for the same reasons.

***Claim Rejections - 35 USC § 103***

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.

2. Ascertaining the differences between the prior art and the claims at issue.
  3. Resolving the level of ordinary skill in the pertinent art.
  4. Considering objective evidence present in the application indicating obviousness or nonobviousness.
8. Claims 1, 4, 5, 7, 8, 11, 12, 14, 15, 18, 19, 24, 25, 27, 28, and 39-40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Vaidyanathan et al, U.S. Patent Application Publication No. 2004/0059596, in view of Ojha et al., U.S. Patent No. 6,598,026, in view of Tal, U.S. Patent No. 6,535,856, and further in view of The Feedback Forum, as viewed on the Wayback Machine from October 12, 1999.

Claims 1, 7, 8, 14, 15, 27, 28, Vaidyanathan discloses an automated online dispute resolution system and method comprising facilitating a submission of a complaint to a network-based facility (paragraphs 12, 42, and 56), the complaint being related to a failed transaction that is not completed by a party (paragraph 6), facilitating resolution of the complaint (paragraphs 60-63), determining that the complaint is not resolved (paragraphs 65, 69), and updating a record associated with the failed transaction that is not completed by the party (paragraph 11, lines 27-34). Vaidyanathan also teaches the network based facility includes a network-based online auction facility and the transaction includes a network-based online auction transaction (paragraphs 39, 40).

Vaidyanathan fails to explicitly teach the updating of the record including incrementing a count of failed transactions not completed by the party.

Ojha discloses a system and method for brokering transactions, including the tracking of a buyer's reputation (column 3 lines 22-43). Ojha discusses a reputation

metric consisting of the number of offers honored less the number reneged. According to this embodiment, there exists a count of offers reneged by a buyer, and such a reneging would constitute a failed transaction not completed by the buyer for the reason that the buyer failed to send payment to the seller. It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Vaidyanathan to include the count of failed transactions because Vaidyanathan refers generally to keeping records on past performances of a party in order to maintain the integrity of transactions, and Ojha is in the same field of endeavor, and teaches consequences for not completing transactions.

Vaidyanathan and Ojha fail to disclose communicating a user interface to a seller, the user interface including a second count of failed transaction not completed by the buyer, the second count including the first count.

Tal discloses a system and method of regulation and enforcement of payment in electronic marketplaces, wherein sellers submit complaints about buyers, including the reason for the complaint (column 5 lines 32-46). The complaints are indexed according to that reason, and are maintained in a database and are available for viewing by other parties. It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify the reputation metric system of Ojha to include the dispute reporting system of Tal. Whereas Ojha only explicitly recites tracking bids reneged by a buyer, the resulting system of the combination would track all failed transaction, including non-payment or reneged bids, late-payment, etc, and would index



them according to the type of failed transaction. Tal provides motivation for tracking such information (column 1 lines 17-39).

Vaidyanathan, Ojha and Tal fail to teach a scoring mechanism for summarizing the various failed transactions.

The Feedback Forum teaches a feedback rating, viewable by a seller on a user interface (page 1), in which comments contribute to a score about a user. According to the feedback forum, negative comments are worth -1 point. The comments are summed to determine a total score for a user. It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify the teachings of Vaidyanathan, Ojha and Tal to include the scoring system of the feedback forum, wherein each failed transaction in the database would receive a -1 point, and the sum of the failed transaction points would be aggregated to for a score, which would represent the count of failed transactions not completed by the buyer. This combination is obvious because Feedback forum provides a scoring system that easy and quickly summarizes the trust worthiness of a user. Ojha and Tal are concerned with maintaining and assessing trustworthiness in electronic commerce. The features were known at the time of Applicant's invention, and the results are predictable.

Claims 4, 11, 18, 24, Vaidyanathan teaches providing an interface to facilitate input of information for the complaint (figures 5, 6).

Claims 5, 12, 19, 25, Vaidyanathan teaches notifying the party that the complaint has been submitted against the party (paragraph 84).

Claims 39-40, Vaidyanathan, Ojha, Tal, and feedback forum fail to teach a third count of failed transactions being transactions not completed by the buyer for the reason that the buyer made a fraudulent payment to the seller.

Official Notice is taken that making a fraudulent payment to a seller would result in a failed transaction, in which case the seller would desire to dispute the payment. It would have been obvious to one of ordinary skill in the art to modify the teachings of Tal to include a category for fraudulent payments, because fraudulent payments are a known way to default on a payment to someone, and the results are predictable.

9. Claims 2, 3, 6, 9, 10, 13, 16, 17, 20, 22, 23, 26, 31-34 are rejected under 35 U.S.C. 103(a) as being unpatentable over Vaidyanathan, Ojha, Tal, and feedback forum as applied to claims 1, 4, 5, 7, 8, 11, 12, 14, 15, 18, 19, 24, 25, 27, and 28 above, and further in view of eBay's Website ([www.ebay.com](http://www.ebay.com)) on October 14, 1999, as viewed on the Wayback Machine ([www.archive.org](http://www.archive.org)), hereinafter "eBay".

Claims 2, 3, 9, 10, 16, 17, 22, 23, Vaidyanathan, Ojha, Tal, and feedback forum fail to teach facilitating a refund request if the complaint is not resolved, including providing an interface to facilitate input of information for the refund request.

eBay teaches facilitating a refund request if the complaint is not resolved (pages 20, 23, 24), including providing an interface to facilitate input of information for the refund request (page 25). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Vaidyanathan, Ojha, Tal, and feedback forum to include the features of eBay because Vaidyanathan teaches using the dispute resolution system to settle disputes stemming from eBay transactions (paragraphs 39, 40).

Claims 6, 13, 20, 26, 31, Vaidyanathan, Ojha, Tal, and feedback forum fail to teach determining that the count exceeds a predetermined count value, responsive to the determining, suspending the party from participating in future transactions.

eBay teaches taking certain actions based on the number of non-completed transactions reported (page 26). According to eBay, if a bidder receives one count (first offense), the user receives a warning. If the count is 2, the bidder receives another warning. If the count is 3, the bidder receives another warning, and a 30 day suspension. If the count is 4, the party is suspended from the eBay system indefinitely. Based on this policy description, it is inherent that the eBay system determines if a count exceeds 3, and responsive to this determination, the party is suspended from participating in future transactions. It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Vaidyanathan, Ojha, Tal, and feedback forum to include the features of eBay because Vaidyanathan

teaches using the dispute resolution system to settle disputes stemming from eBay transactions (paragraphs 39, 40).

Claims 32-34. Vaidyanathan, Ojha, Tal, feedback forum, and eBay fail to teach denying an appeal, granting an appeal, and decrementing the count of failed transactions not completed by the party responsive to the granting of the appeal.

eBay teaches an appeal process, including receiving an appeal from the party, appealing the penalty for being a non-paying bidder (page 30). Official Notice is taken that granting and denying appeals of penalties is old and well known in the art. Furthermore, in the event an appeal is granted, it is old and well known in the art to reverse or undo the penalty. It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of eBay to include these steps because they are common sense steps in handling an appeal.

### ***Response to Arguments***

10. Applicant's arguments with respect to the claim rejections have been considered but are moot in view of the new grounds of rejection.

### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Daniel Kesack whose telephone number is (571)272-5882. The examiner can normally be reached on M-F, 9:00am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on 571-272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Respectfully Submitted,

Daniel Kesack  
January 31, 2009  
/D. K./  
Examiner, Art Unit 3691